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RUEHDK/AMEMBASSY DAKAR 0001  
RUEHKM/AMEMBASSY KAMPALA 0083  
RUEHNR/AMEMBASSY NAIROBI 0085  
RUEHGV/USMISSION GENEVA 2554  
RUEAIIA/CIA WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
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UNCLAS SECTION 01 OF 03 HARARE 000058

AF/S FOR B. WALCH  
ADDIS ABABA FOR USAU  
ADDIS ABABA FOR ACSS  
NSC FOR SENIOR AFRICA DIRECTOR  
STATE PASS TO USAID FOR L.DOBINNS AND J. HARMON  
COMMERCE FOR ROBERT TELCHIN

SIPDIS

E.O.12958: N/A  
TAGS: PGOV PREL ASEC PHUM ECON ZI  
SUBJECT: ZIM NOTES 01-29-2010

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¶1. SUMMARY  
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ZANU-PF Says No More Concessions...  
High Court Dismisses SADC Land Ruling...  
Four More Farmers Harassed, Evicted, Arrested...  
Constitutional Outreach Clears One Hurdle...  
Civil Society Launches Constitutional Monitoring Effort...  
WOZA Members Beaten, Arrested, Released...  
Bennett's Trial: Whose E-mails Are They?  
Court Orders Central Bank to Keep Contested Diamonds in Safe  
Custody...  
"Revival" of Zimbabwe Iron and Steel Company Imminent...  
European Union Envoys Want Sanctions Lifted on Some Parastatals...  
No End in Sight for Zimbabwe's Power Blues...

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On the Political and Social Front  
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¶2. The State mouthpiece, The Herald, reported this week that following a ZANU-PF Politburo meeting -- the 49-member senior decision-making body of the party -- the party resolved not to make any additional concessions to the MDC in negotiations until the "illegal" sanctions have been lifted. The announcement mirrors party resolutions made in December at the five-year ZANU-PF Congress. ZANU-PF has long maintained that the MDC has the capacity to pressure the West to lift sanctions, an argument that was bolstered by recent statements by British Foreign Secretary David Miliband who said that the UK would consult with the MDC in determining whether to lift sanctions.

¶3. High Court Justice Barack Patel on January 26 rejected the 2008 SADC Tribunal ruling that upheld the rights of a group of white commercial farmers who lost their farms under the controversial land reform program. Patel stated that supporting the decision would be contrary to Zimbabwe's domestic laws and agrarian policies and would result in political upheaval. He added, "The greater public good must prevail." and abiding by the SADC ruling "... would entail the

eviction, upheaval, and eventual relocation of many, if not most, of the beneficiaries of the land reform program." SADC has not issued any statements regarding Patel?s judgment.

**¶14.** Four white commercial farmers in the Chipinge area of southeastern Zimbabwe were given 24 hours to vacate their farms by local magistrate Samuel Zuze. The four farmers -- Algernon Taffs, Dawie Joubert, Mike Odendaal, and Mike Jahme -- had been harassed by local youths hired by the beneficiaries and Jahme and Taffs were both evicted after Zuze refused to accept an urgent High Court stay of execution granted on January 27. Joubert and past Commercial Farmer?s Union President Trevor Gifford were arrested and held overnight on contempt of court charges while attempting to protest Zuze?s actions. Zuze himself is trying to acquire one of the farms. (See offer letter below.)

**¶15.** Co-chair of the Parliamentary Select Committee on the Constitution, Douglas Mwonzora (MDC-T) announced that the political parties have agreed that two members of each of the 70 outreach teams will now verify the official reports of their respective Qteams will now verify the official reports of their respective consultation meetings. The compromise resolved a dispute over who should verify the team?s reports. Critics charge that having two politically-linked rapporteurs defeats the purpose of a supposedly unbiased and people-driven constitutional reform process. Separately, Mwonzora has been charged with insulting the President by allegedly calling Mugabe a "goblin" at a rally in 2008. If convicted, Mwonzora would face up to one year in jail.

**¶16.** Three prominent civil society groups -- Zimbabwe Lawyers for Human Rights, Zimbabwe Peace Project, and Zimbabwe Election Support

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Network - on January 27 held a meeting in Harare announcing the launch of the ZZZICOMP project that will attempt to independently monitor the upcoming constitutional outreach program. ZZZICOMP will consist of 420 monitors who will attend all public constitutional meetings to ascertain if the outreach process is marred by violence, intimidation, or coercion. The monitors will not be identified and will report their findings to both the government-led JOMIC monitoring group and the greater public.

**¶17.** On January 25, 11 of the 200 women marching with Women of Zimbabwe Arise (WOZA) in Bulawayo were beaten by police who disrupted the peaceful march. The women were marching to deliver a report on the collapse of education in Zimbabwe. They were held for several hours and then released without charge. The women were treated for soft tissue bruising caused by the police officers? batons.

**¶18.** On January 27, Judge Bhunu postponed the trial of Roy Bennett to February 3 when he will rule on whether to admit e-mails allegedly downloaded from the laptop of impeached star witness Peter Hitschmann in 2006. The emails link Hitschmann and Bennett in a plot to overthrow Mugabe and commit terrorist activities. Bennett?s lawyer Beatrice Mtetwa, opposed their admission, arguing that the court had already ruled they were inadmissible. She said the e-mails could easily have been authored by state security agents. Hitschmann denied any knowledge of the e-mails. Earlier this week, Judge Bhunu ruled statements made by Hitschmann after his arrest that implicated Bennett were inadmissible since they were the result of beatings.

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On the Economic and Business Front  
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**¶19.** Zimbabwe?s Supreme Court has ordered the Reserve Bank of Zimbabwe to keep diamonds from Chiadzwa in safe custody, pending the resolution of the dispute between African Consolidated Resources (ACR) and the Zimbabwe Mining Development Corporation (ZMDC). ZMDC began mining diamonds in Chiadzwa while ACR was contesting the cancellation of its license in 2007. Although the court ruled that the diamonds must be kept by a neutral party, it is not certain the diamonds will be safe given the RBZ?s record of stealing statutory reserves and foreign currency deposits of companies and NGOs in its

custody in recent years.

¶10. According to a report in The Herald, ZISCO's re-birth is imminent following the forwarding of two short-listed bidders to the President. Arcelor Mittal and Jindal Steel are reportedly vying for a stake in ZISCO. During its peak, ZISCO was one of the largest integrated steel manufacturers in Africa with a potential to produce between 700,000 and 1 million tons of steel and employing over 4,000 people. But years of poor management and inadequate capital took its toll on the company, which ended up employing just 1,000 workers and selling scrap metal accumulated over 40 years to survive.

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¶11. EU ambassadors accredited to Zimbabwe have recommended the removal of eight state-owned enterprises, including ZISCO, ZB Holdings, ZimRe Holdings, and the Industrial Development Corporation, from the sanctions list in response to a request by PM Tsvangirai. According to a report in the Financial Gazette, the move is designed to help Zimbabwe's recovery.

¶12. The Zimbabwe Power Company (ZPC), a subsidiary of the state-owned Zimbabwe Electricity Supply Authority, has said that the country's power problems will continue for some time with only one out of six generating units at Hwange operating. The ZPC report says that the available total internal power generation capacity is enough to satisfy 53 percent of the forecast maximum demand, with the bulk of supply coming from Kariba. Hwange Power Station which is operating at just 13.4 percent capacity.

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Quote of the Week  
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¶13. The Herald caught our attention this week with an unusual headline: "10 huts burnt in Buhera political violence." -- Further reading reveals that the article charges MDC-T supporters of burning the homes of ZANU-PF office holders and supporters in the area. One traditional leader, Chief Chitsunge, reported that the attacks came after "repeated threats by some MDC-T supporters" who had allegedly ordered that all ZANU-PF meetings be stopped in the area. We have yet to confirm the veracity of the report and eagerly await the day when The Herald dedicates the same coverage to victims of ZANU-PF abuse.

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